



POSTAL REGULATORY COMMISSION

[Docket Nos. MC2025-1483 and RM2025-11; Order No. 8907]

Streamlined Negotiated Service Agreement Review and New Postal Product

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is acknowledging a recent Postal Service filing concerning material changes to Mail Classification Schedule product descriptions within First-Class Mail, USPS Marketing Mail, and Periodicals. This document invites public comment on the advance review portion of the Postal Service's filing and takes other administrative steps.

DATES: *Comments are due:* July 11, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

On June 11, 2025, the Postal Service filed a proposal pursuant to 39 CFR 3040.180 to make material changes to Mail Classification Schedule (MCS) product descriptions within First-Class Mail, USPS Marketing Mail, and

Periodicals.¹ The Postal Service states that these modifications will result in changes to certain workshare discounts, including changing benchmarks for some existing workshare discounts, eliminating other existing workshare discounts, and creating new workshare discounts. MCS Proposal at 2.

Accordingly, the Postal Service also filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider related changes to analytical principles.²

II. Overview of the Postal Service's Filings

MCS Proposal. The Postal Service proposes several changes to the MCS product descriptions for First-Class Mail, USPS Marketing Mail, and Periodicals. First, the Postal Service proposes new zoned pricing for presorted USPS Marketing Mail letters, flats, and parcels entered at origin for all USPS Marketing Mail products except Every Door Direct Mail (EDDM)—Retail. MCS Proposal at 1. Second, the Postal Service proposes to “[a]lign Outside-County Periodicals prices with [USPS] Marketing Mail prices” by introducing zoned prices for mailpieces entered at origin, eliminating bundle and container prices, and introducing simplified container discounts. *Id.* Third, the Postal Service proposes to eliminate “duplicative” area distribution center (ADC) presort rates for First-Class Mail, USPS Marketing Mail, and Periodicals and to “clarify rate table labels” by substituting “3-Digit” for “ADC,” “automated ADC (AADC),” and “sectional center facility (SCF)” as well as substituting “Mixed” for “Mixed ADC” and “Mixed AADC.” *Id.* at 1-2. Finally, because the Postal service no longer

¹ United States Postal Service Proposal to Modify the Product Descriptions of First-Class Mail, USPS Marketing Mail, and Periodicals, June 11, 2025 (MCS Proposal).

² Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, June 11, 2025 (Petition). The proposed changes are attached to the Petition (Proposal).

intends to process mail in network distribution centers (NDCs), the Postal Service proposes to eliminate presort discounts for USPS Marketing Mail Parcels entered at the NDC. *Id.* at 2. The Postal Service states that the proposed changes to the pricing structures for First-Class Mail, USPS Marketing Mail, and Periodicals result in a number of changes to workshare discounts, including changes to benchmarks for some workshare discounts, elimination of other workshare discounts, and creation of new workshare discounts. *Id.*

Petition and Proposal. The Postal Service presents four proposed changes in analytical principles that are related to the proposed MCS changes. *Petition* at 2. First, the Postal Service proposes a modified USPS Marketing Mail destination entry cost model to reflect the proposed zoned pricing structure for USPS Marketing Mail entered at origin (Proposal One). *Id.*; *Proposal*, Part 1 of 4, at 1. Second, to conform to the proposed Periodicals pricing structure, the Postal Service proposes a modified mail processing cost model for the Periodicals Outside County product that would “remap[] current categories to piece-rated cost categories weighted by preparation (Proposal Two).” *Petition* at 2; *Proposal*, Part 2 of 4, at 1. Third, the Postal Service proposes to revise benchmarks for First-Class Mail, USPS Marketing Mail, and Periodicals that are currently benchmarked to ADC presort prices, which the Postal Service would eliminate (Proposal Three). *Petition* at 2. The Postal Service proposes to replace these benchmarks with the “next less fine level of sortation” after elimination of the ADC presort prices. *Proposal*, Part 3 of 4, at 2, Table 2. Finally, the Postal Service proposes to revise the benchmark for USPS Marketing Mail Parcels workshare discounts to reflect elimination of NDC presort prices (Proposal Four). *Petition* at 2. The Postal Service proposes to replace the NDC presort benchmark with the “next less fine level of sortation” after elimination of the NDC

presort prices. Proposal, Part 4 of 4, at 1. The Postal Service explains that the USPS Marketing Mail Parcels cost model required additional “small adjustments” because, unlike cost models for other USPS Marketing Mail mailpiece shapes, the adjusted unit costs are calculated for each available combination of presort level and entry level. Proposal, Part 4 of 4, at 2. The Postal Service contends that, with elimination of NDCs, “there are situations in which unit costs for differing entry levels would have to be compared against one [an]other to develop presort cost avoidances.” *Id.* at 2-3. The Postal Service states that it remedied this mismatch by developing new “aggregate” unit costs for calculating cost avoidances across remaining presort categories. *Id.*

Impact. With respect to Proposal One, the Postal Service presents the USPS Marketing Mail cost avoidances in Tables 1, 2, and 3, and asserts that the avoided costs under this NDC proposal are “much the same” as those presented in Docket No. ACR2024. Proposal, Part 1 of 4, at 6-7. With respect to Proposal Two, the Postal Service presents Excel file “RM2025.11.USPS-FY24-11.POC.Ord.8713.Rev3.3.25.xlsx,” which it used to estimate weighted average unit costs by preparation method and which it contends results in cost avoidances that support the proposed Periodicals pricing structure. Proposal, Part 2 of 4, at 5. With respect to Proposal Three, the Postal Service states that the impacts of the proposed change in analytical principles may be found in Excel files “RM2025-11 FCM Workshare Tables.xlsx,” “RM2025-11 Marketing Mail.xlsx,” and “RM2025-11 Periodicals Workshare Tables.xlsx.” Proposal, Part 3 of 4, at 4-5. With respect to Proposal Four, the Postal Service presents Excel file “RM2025-11 Marketing mail.xlsx.” Proposal, Part 4 of 4, at 5.

III. Notice and Comment

The Commission establishes Docket No. MC2025-1483 to consider matters raised by the MCS Proposal and Docket No. RM2025-11 for consideration of matters raised by the Petition. Because the instant dockets involve related issues, the Commission consolidates them. See 39 CFR 3010.104. More information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the MCS Proposal and the Petition no later than July 11, 2025. Pursuant to 39 U.S.C. 505, Katalin Clendenin is designated as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding. The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established.

IV. Ordering Paragraphs

It is ordered:

1. The Commission established Docket No. MC2025-1483 to consider matters raised by the United States Postal Service Proposal to Modify the Product Descriptions of First-Class Mail, USPS Marketing Mail, and Periodicals, filed June 11, 2025.
2. The Commission establishes Docket No. RM2025-11 to consider matters raised by the Petition of the United States Postal Service to Initiate a Proceeding to Change Analytical Principles, filed June 11, 2025.
3. The Commission consolidates Docket Nos. MC2025-1483 and RM2025-11.
4. Comments by interested persons in this proceeding are due no later than July 11, 2025.

5. Pursuant to 39 U.S.C. 505, the Commission appoints Katalin Clendenin to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

6. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Jennie L. Jbara,

Primary Certifying Official.

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